

March 20, 2006

The Common Council met immediately following the Water Utility Board on the above date in the Meeting Room at City Hall Annex with Mayor Knowles presiding and members Askren, Tucker, Angel, and Cooper attending. Others attending were Attorney Funkhouser; Attorney Beth Folz; Supt. Gray; Comm. Epison; Chief Beloat; Chief Webber; Vicki Peerman; Ronnie Hickey; Chris Janak - Bose McKinney; and arriving during the meeting, Councilman Rueger.

Mayor Knowles called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. She added if not, she entertains a motion to waive their reading and to approve the minutes as presented.

Councilman Cooper moved the reading of the minutes be waived and they be approved as presented. Seconded by Councilman Angel.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Mayor Knowles reminded everyone in the Audience that anyone wishing to address the Council should approach the podium and state their name and the nature of their business.

Mayor Knowles stated they will now hear the reports of the Standing Committees.

Street & Light Chairman Angel stated he has no report.

Comm. Epison stated he has no report.

Mayor Knowles asked if there were any questions ?

There were none.

Police & Dog Chairwoman Askren stated she has no report.

Chief Beloat stated he has some announcements concerning traffic enforcement. He stated the department is keeping an eye on Bluff and Kimball, as they are still getting complaints of folks running the stop sign. He added there have also been complaints in the Jr. High School area after school hours of bad driving behavior. They will also be on patrol in that area.

Mayor Knowles asked if there were any questions ?

There were none.

Fire Chairman Tucker stated he has no report.

Chief Webber stated he has no report.

Mayor Knowles asked if there were any questions ?

There were none.

Sewer Chairman Rueger was not present.

Mayor Knowles asked if there were any questions ?

There were none.

Mayor Knowles state they have the Financial Report for February before them and any questions could be directed to Clerk-Treasurer Wolfe.

Mayor Knowles asked if the Clerk-Treasurer had any Communications for the Council ?

Clerk-Treasurer Wolfe replied not at this time.

Mayor Knowles stated the first item on the Legal portion of the Agenda is the possible third reading of the Bluff Road/Kimball Street ordinance.

Councilwoman Askren asked if they could table this for now.

Councilman Tucker asked if there has been any word from INDOT ?

Mayor Knowles replied that INDOT was going to contract EUTS to do a traffic study if they can find some extra money, but she has heard nothing definite yet.

Mr. Hickey approached the podium and asked if the reason the Council is looking at closing Bluff Road is due to school buses ?

Mayor Knowles replied initially yes, but that issue has been resolved.

Mr. Hickey stated he drives through the area with a truck and since there are no trailers now in the old trailer park, the view is totally unobstructed.

Councilman Angel added that was the original complaint, bad visibility.

Mr. Hickey added there is no problem now and he would like to see this ordinance dismissed. He added if ordinance passes, trucks will have to turn onto the highway and that is almost impossible to do after 3:00.

Mayor Knowles agreed 100%.

Councilman Cooper asked that Chief Beloit inform the Board at the next meeting of any warnings/citations for that area. He also suggested patrols be stepped up out there.

Chief Beloit agreed.

Councilwoman Askren again asked if the ordinance could be tabled ?

Councilman Cooper moved the ordinance be table and await report from Chief Beloit.  
Seconded by Councilwoman Askren.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Mayor Knowles stated the next item on the Agenda is the Public Hearing on the Ordinance of Additional Appropriations in the General Fund. She then opened the public hearing and asked if anyone in the Audience wished to comment ?

There was no comment.

Mayor Knowles then closed the public hearing.

Councilman Cooper moved the ordinance pass on second reading. Seconded by Councilwoman Askren.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - absent;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried.

Councilman Cooper moved the rules be suspended and the ordinance pass on third reading.  
Seconded by Councilman Angel.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - absent;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried unanimously.

Clerk-Treasurer Wolfe added it will be numbered 06-08.

Mayor Knowles stated the next item is the Public Hearing on the Voluntary East Side Annexation, which was advertised for 7:30 p.m.

Mr. Janak stated before they open the public hearing he would like to address the Council. He continued by stating the eastside annexation consists of the Buckley project and the ordinance itself was published in the local paper on February 22, 2006. He added there really is not much to comment on as this was a super voluntary annexation. He stated all 35 parcel owners have consented to this annexation, and along with those parcels is the Buckley property. He added this annexation will result in an increase of several millions of dollars in assessed value, excluding the Buckley property. He also stated this should keep tax rates steady while still providing the same level of services, not to mention additional jobs and bringing more people to the area for future investments, etc.

Mr. Janak then stated the ordinance has been introduced, public notice has been given and the public hearing will be held tonight. He added there will be no vote tonight on the ordinance, that will be done at the April 10 meeting. He added on that same night the Council will vote on a fiscal plan (ACE), but tonight is only the public hearing.

Mayor Knowles stated she will now open the Public Hearing on the East Side Annexation. She asked if anyone in the Audience wished to address this topic ?

There was no response.

Mayor Knowles then closed the Public Hearing.

Mr. Janak stated he would also like to talk about some economic incentives involved with this annexation. He added they have before them an ordinance that will create a department of redevelopment, a Redevelopment Commission. He reminded the Council that when Mr. Buckley was here, he asked for annexation, tax abatement, and tax increment financing. He stated for example if on 3/1/06, the annexed area had an assessed value of \$10.00 and improvements were made to assess it at \$20.00, additional taxes would be collected on the difference and that money would be used to pay bonds that will be issued to make the needed capital improvements. He added this will not be done through the city itself, the commission will be made up of five members who will be responsible for declaring an economic revitalization area. He asked that the Board see paragraph 5 citing the Council's appointments to the Commission as being Councilmen Cooper and Rueger, he assumes that is alright.

Councilman Cooper stated he has spoken with Councilman Rueger about this and he indicated he would sit on the commission. He also stated he spoke with Mr. Janak as well and he has no problem serving.

Mayor Knowles stated that is a good idea, they can keep the Council informed.

Councilman Tucker asked Ms. Folz for her opinion.

Ms. Folz stated she has not studied the ordinance in detail, nor has Attorney Higgins. She stated they can review it and get back to the Council.

Mayor Knowles replied there is urgency here, they could end up holding up construction. It is nice weather now and it could cost the Buckleys a lot of time. She added she received a copy of this ordinance on February 24. She believes Ms. McFadin Higgins was also sent a copy at that time.

Attorney Funkhouser asked how waiting would affect the time line, would it push construction back ?

Mr. Janak replied the ordinance is fairly standard, nothing fancy and identical to other communities' ordinances. He added the redevelopment commission needs to concentrate its efforts on new projects coming into the area, it should not be a controversial ordinance.

Councilman Rueger arrived at the meeting.

Ms. Folz questioned the timeline by stating the county already has an economic development commission.

Mayor Knowles agreed, on the county level.

Ms. Folz stated she thought Attorney Higgins said that commission was good for both the county and city.

Mayor Knowles replied the city is setting up their own.

Mr. Janak stated the EDC is a completely separate entity. He added bonds issued under the RDC are tax exempt and with the EDC, no public bidding processes apply and their bonds are taxable. He added the Mount Vernon EDC may issue bonds, though it isn't even set up yet, the RDC needs to be done first. He added there will not be a need for an economic development commission unless it is absolutely necessary.

Councilman Cooper moved the Ordinance Establishing a Department of Redevelopment for the City of Mount Vernon, Indiana Pursuant to IC 36-7-14 and Repealing all Ordinances inconsistent therewith pass first reading. Seconded by Councilwoman Askren.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried.

Councilman Rueger moved the rules be suspended. Seconded by Councilwoman Askren.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried.

Councilman Rueger moved the ordinance pass on second and third readings. Seconded by Councilman Angel.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried unanimously.

Clerk-Treasurer Wolfe added it will be numbered 06-09.

Mr. Janak stated the Ordinance he has for the Council is an Ordinance of the Common Council of the City of Mount Vernon, Indiana, Ratifying Certain Agreements in Lieu of Annexation and Establishing A Rainy Day Fund Pursuant to Indiana Code 36-1-8-5.1. He stated this ordinance is to ratify the two agreements (Countrymark and GAF) and establishing a rainy day fund, re the west side annexation. He added the city will be receiving checks in the amount of \$30,000 each from the two entities, with increases for a total of \$250,000. He stated the Council accepted these agreement and the monies have to go somewhere. He added these agreement are also somewhat rare, so to create a Rainy Day Fund would be best, therefore, not going against the city tax levy. He added these monies will also be appropriated. He referenced a figure on what the west side annexation has cost the city (\$34,697.65) and added par. 3 on page 2 needs to have the figures changed to

divide that sum equally among water and sewer, as the Council wants to pay the utilities back for the money they have spent. He added after the utilities are paid back, the monies will be deposited into the Rainy Day Fund.

Mr. Janak continued by stating the Rainy Day Fund could be use to help lower the city's levy for next year and money can be "scraped" into the Rainy Day Fund to be used for whatever purposes may benefit the citizens. He stated it will help to keep tax rates low as well.

Mayor Knowles stated this would have nice to have at the beginning of 2004 when many communities suffered do to having their levies frozen. She added this is a nest egg of sorts.

Attorney Funkhouser asked if there is a limit to what can be paid for out of this fund ?

Mr. Janak replied no, it is just there. He stated this ordinance will ratify the previous agreements and establish a mechanism on what to do with the funds. He added Countrymark signed their agreement at the last meeting and had check in hand that night, GAF, whose main office is located in Jersey, had until March 1, 2006 to pay. He stated as of today they have still not paid. He added he was promised the check would be sent by over night mail and in the city's hand by Thursday. He wanted to be sure the Council knew they were not excusing their non-payment: they can either annex them, or file suit. He then stated unfortunately, the city will have to watch them every year to be sure they pay on time.

Councilman Cooper asked if they lose the money in the Rainy Day Fund at the beginning of each year it not spent ?

Mr. Janak replied no, they do not.

Councilman Cooper asked if money needs to be spend out of there, would that come before the Council first ?

Mayor Knowles replied no, there will be a budget prepared at budget time, though that doesn't mean any money will be spent. She cited the State Gaming Fund as an example.

Ms. Folz asked what happens once it is budgeted ?

Mayor Knowles replied it stays there forever.

Councilman Cooper asked how the money can be budgeted if no one knows how it will be spent ?

Mayor Knowles replied she does that budget on that and she will just have to use the best estimate she can.

Mr. Janak added the Council can not change how the money is allocated but they can reduce it.

Mayor Knowles agreed.

Mr. Janak added there is flexibility there.

Councilman Tucker stated many communities have a Rainy Day Fund and he wondered why the city never did.

Ms. Folz stated she is not versed on this and Attorney Higgins would be a better one than she to discuss it.

Councilman Tucker asked if Attorney Higgins could look over this and they could pass it at the next meeting.

Mr. Janak replied that is fine, whatever the Council wishes.

Councilman Rueger moved the Ordinance to Ratify Certain Agreements in Lieu of Annexation and Establish a Rainy Day Fund Pursuant to Indiana Code 36-1-8-5.1 pass first reading. Seconded by Councilman Cooper.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried unanimously.

Mayor Knowles stated the next item on the Agenda is the second and third readings on the Ordinance entitled Comes Now the City of Mount Vernon, Indiana Common Council, as a Member of the Posey County Income Tax Council, and Adopts an Ordinance as follows: the COIT ordinance.

Councilman Rueger asked if COIT will be replacing the inventory tax ?

Ms. Folz replied it is an income tax that is levied.

Mayor Knowles added she believes that was the county's intent, yes, to replace the inventory tax.

Councilman Rueger stated he believes the county inventory tax amounted to around \$2M.

Mayor Knowles agreed that is probably correct, though she is not positive.



Councilman Rueger stated he feels the county didn't do enough with this tax, it should be higher.

Mayor Knowles agreed and added the county also put a ceiling on it, there will be no increases unless an entity amends the ordinances and sends it to all the other taxing units in the county.

Councilman Rueger replied Posey County is so far behind the times it isn't even funny.

Councilman Angel asked why the Council even needs to vote on this as the county has 61% of the vote, the Council can't change it.

Councilman Tucker stated the city portion could raise if wages are raised.

Mayor Knowles added only slightly.

Councilman Tucker stated he doesn't want to see this pass but he feels there is no choice.

Councilman Rueger stated by taking away the inventory taxes paid by businesses, the state is forcing everyone to pay.

Mayor Knowles agreed and added without this tax, Posey County's tax monies went to those with the tax, like Warrick county.

Councilman Cooper moved Ordinance pass second reading. Seconded by Councilwoman Askren.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried.

Councilman Cooper moved the rules be suspended. Seconded by Councilwoman Askren.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried.

Councilman Cooper moved the ordinance pass third reading. Seconded by Councilwoman Askren.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried unanimously.

Clerk-Treasurer Wolfe added it will be numbered 06-10.

Mayor Knowles stated the final item is the ordinance recommended by the Utility Board to amend the meter deposits on water and sewer. She also stated that the Board of Works had recommended this several months back, though no action was ever taken. She asked if there was any discussion ?

There was none.

Councilman Rueger moved the ordinance pass first reading. Seconded by Councilman Cooper.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren - yes; Tucker - yes; Rueger - yes;

Angel - yes; Cooper - yes.

Mayor Knowles stated the motion carried unanimously.

Mayor Knowles asked if anyone in the Audience wished to address the Council ?

There was no response.

Mayor Knowles asked if there was any Old Business ?

There was none.

Mayor Knowles asked if there was any New Business ?

There was none.

Mayor Knowles stated they will now hear the reports of the Districts.

1<sup>st</sup> District Councilwoman Askren stated she has no report.

2<sup>nd</sup> District Councilman Tucker stated he has no report.

3<sup>rd</sup> District Councilman Rueger stated he has no report.

4<sup>th</sup> District Councilman Angel stated he has no report.

Councilman-at-Large Cooper stated he has no report.

Mayor Knowles stated if there were no further business, she entertains a motion to adjourn.

Councilman Cooper moved the meeting be adjourned. Seconded by Councilman Rueger.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried and adjourned the meeting.

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Rosemary L. Knowles

Mayor

ATTEST:

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Cristi L. Wolfe

Clerk-Treasurer